

Michigan State Waterways Commission
Regular Meeting

Minutes of the Meeting of
August 5, 2005

Manistee City Hall
City Council Chambers
Manistee, Michigan

A regular meeting of the Michigan State Waterways Commission was called to order by Chairman Winn at 9:02 a.m. on Friday, August 5, 2005, at the City Council Chambers, Manistee, Michigan. The following Commissioners were present:

John Winn, Chairman
G. Dennis Bailey
David Giffin
Curtis Hertel
Janet Mansfield
Carol B. Oakley
Todd Wyett

Resource Management Deputy Mindy Koch and Department of Natural Resources (Department) Lansing staff were present.

Chairman Winn welcomed guests and thanked the City of Manistee and the communities of Onekema and Arcadia for their hospitality.

Minutes:

June 10, 2005

MOTION: Commissioner Giffin moved to approve the minutes of the June 10, 2005 Michigan State Waterways Commission meeting. The motion was seconded by Commissioner Mansfield and the minutes were unanimously approved.

Public Appearances:

The individuals present to speak to the Commission chose to wait until their topics of concern came up on the agenda.

Old Business:

Project Status Report

Mr. Bill Boik provided an update regarding current projects as follows:

- The breakwater construction at Mackinac City State Harbor is going well;
- The Hammond Bay State Harbor project is near completion. The existing harbormaster building and pier were upgraded. The contractor is finishing some vegetation work;
- The Chippewa Lake boating access site is undergoing a complete renovation including parking lot expansion and bank stabilization;
- The Round Lake boating access site in Lenawee county is undergoing a project which includes parking lot paving and fishing pier installation;
- A project was recently completed at Deer Lake which included ramp replacement and bank stabilization.

Staff are gathering information for the court in regard to Crystal Lake in Benzie County. The first two counts against the Department were dismissed, so work is proceeding on the last two counts. The hearing should be scheduled sometime this fall.

Commissioner Todd Wyett mentioned that Senator Michelle McManus would like to be kept informed regarding this case as it involves her district.

The Michigan Natural Resources Trust Fund Board received an application for a proposed boating access site on Walloon Lake. There has been some opposition to the application and Parks and Recreation staff were asked to investigate existing access to the lake. It was determined that there is no real access. Several meetings have been held with the lake association and other interested parties. Property owned by Forest, Mineral, and Fire Management on the southwest side of the lake has been considered. A consultant has been retained to look at engineering aspects and costs for this proposed project. A public meeting is scheduled for August 31, 2005 and a conceptual plan is anticipated before Labor Day. An additional meeting is scheduled on August 18, 2005 for those who cannot attend the one on August 31, 2005.

Operations Status Report

Preliminary numbers for the use of the Central Reservation System (CRS) this season indicate that reservations on the Lake Michigan side are up while those for the Lake Huron side are down. The final CRS report will be presented to the Waterways Commission at the October 2005 meeting.

The Department was recently audited on the inspection process for grant-in-aid facilities. The inspection process (for state facilities as well as grant-in-aid) has been upgraded and PDAs are now utilized in order to increase reliability and provide in-depth

information. The Department has the authority to close a facility, if necessary, due to safety issues. The time that is allowed for repair depends on the type of problems involved. Identifying harbors that are doing particularly well and providing some type of recognition was discussed.

Standing Committee Reports

There were no standing committee reports.

Cedar River Update

Mr. Bill Boik provided an update of the Cedar River project including an assessment of the challenges encountered during its completion. The Commission was provided with a summary sheet of various aspects of this project. Plans are in place to address problems that occurred. The sewage lagoon needs to be modified to come into compliance with Department of Environmental Quality rules. Biodiesel fuel sales are going slow.

Chairman Winn requested that staff make provisions for checks and balances on design and engineering components of future projects. The Department must be diligent in not assuming that outside contractors are doing what is required. Mr. Boik is working on a list to define roles for all state agencies that are involved in harbor projects.

Commissioner Giffin requested updates at future Waterways Commission meetings regarding current projects under construction. The Department of Management and Budget is the project manager for the state and the DNR must work through them.

Presque Isle Restaurant

Mr. Ron Olson received a letter from the owners of the restaurant. They are moving forward to complete the necessary changes. Department staff are pleased with what they have accomplished thus far. A multi-year, competitively bid, contract is possible if progress continues. The Waterways Commission believes the restaurant is an important asset to the marina. Commissioner Oakley expressed the view that the restaurant should remain at the existing location, rather than be moved across the road.

New Business:

Draft Policies

Mr. Ron Olson stated that he made a commitment at the last Finance Committee meeting to provide some draft policies on allocation methodologies to the Commission. Current practices are being analyzed to facilitate this process. These policies are intended to provide a framework for allocating costs (e.g. boaters, campers, day use, etcetera).

A district supervisor and the operations field section chief will attend the October 2005 Commission meeting to provide an overview on the maintenance and operation of boating access sites. A review of the use of forced labor crews will be included. A finance committee meeting is planned for the next meeting as well.

Commissioner Giffin stated that municipalities receiving reservations should be paying the \$2.42 per night CRS fee. This type of cost should be passed on to users. Municipalities can then increase their rates to cover their expenses. Chief Deputy Dennis Fedewa discussed the cost allocation process with the Commission. The public support of the Commission will assist the Department in following a cost allocation policy.

Commissioner Oakley requested that staff look at the possibility of providing fee discounts to Michigan residents. Several other states require nonresidents to pay higher fees while residents receive a break (for example, Ohio has a Buckeye Pass). This already occurs with motor vehicle permits for Michigan state parks and recreation areas. Chairman Winn suggested a reasonable increase in cost for registration of larger boats (live aboard boats).

Traverse City Variance Request

Traverse City requested permission to charge up to 30% higher than the premium rate for their seasonal slips. Staff recommends the increase apply to seasonal and transient slips for a 5 year term and that the city be required to submit an annual report to the Commission. Traverse City presently has 119 slips with 65 seasonal. Broadside dockage is also used for transient boaters. The Commission would like some seasonal slips to be converted to transient as seasonals are lost.

MOTION: Commissioner Giffin moved to allow Traverse City to charge up to 30% above the premium rate for a 5 year period. If the annual report is not submitted by the established date, the 30% is not allowed that year. The motion was seconded by Commissioner Bailey and carried unanimously.

Fee Structure

Mr. Jason Fleming presented the proposed 2006 fee schedule to the Commission. Department staff recommended an increase of 2%. The Commission asked for a review of the established rate areas. Chairman Winn suggested increasing the percentage of the premium rate. New marinas should be designed to accommodate sale of fuel.

MOTION: Commissioner Giffin moved to increase the rates for 2006 by 2.5%. The motion was seconded by Commissioner Mansfield and carried unanimously.

The premium rate will be reviewed at the next meeting.

Capital Projects

Mr. Bill Boik provided a review of capital projects for 2006 and those proposed for 2007. The numbers reflected for 2006 and 2007 are staff recommendations and may be changed by the legislature. Mr. Ron Olson will provide text for a motion related to the 2007 recommendations (with projects listed) for the October 2005 meeting.

Mr. Jim Sarna spoke to the Commission about a recent trip in his boat on the Lake Michigan side of the state. He plans a similar trip next year on the Lake Huron side and is concerned about staying in Rogers City. He has a 29 foot boat and stated that only broad side moorage is available there for a boat of this size. Mr. Jason Fleming will follow up with him and try to resolve this issue.

Chairman Winn requested that the following issues be discussed at the next Waterways Commission meeting:

- The number of days a boat can stay in a marina;
- The number of days a boat must be out of a marina before it comes back.

His concern is that there is no commonality in regulations and some boaters are allowed to become quasi-seasonal slip holders at state marinas and grant-in-aid facilities.

The City of Manistee has a new \$1,000,000 project and they are seeking funding assistance from the Waterways Commission. Chairman Winn encouraged them to consider charging the premium rate and also to begin using the Central Reservation System for next season.

This meeting of the Michigan State Waterways Commission adjourned at 10:50 a.m.